

EXAMPLE

Calculation of a Tax Deduction for a Low-Producing Oil Lease (Exempt Type 11)

ORIGINAL REPORT FILED		REVERSAL FILED ON AMENDED REPORT		EXEMPT TYPE 11 REBOOK FILED ON AMENDED REPORT WITH A 25% DEDUCTION	
GROSS BARRELS	164	GROSS BARRELS	(164)	GROSS BARRELS	164
GOV ROY BBLs	21	GOV ROY BBLs	(21)	GOV ROY BBLs	21
TAXABLE BBLs	143	TAXABLE BBLs	(143)	TAXABLE BBLs	143
GROSS VALUE	\$4,628.22	GROSS VALUE	(\$4,628.22)	GROSS VALUE	\$4,628.22
ROYALTY VALUE	\$ 578.53	ROYALTY VALUE	(\$ 578.53)	ROYALTY VALUE	\$ 578.53
TRUCKING COSTS	\$ 0	TRUCKING COSTS	\$ 0	TRUCKING COSTS	\$ 0
NET TAXABLE VALUE	\$4,049.69	NET TAXABLE VALUE	(\$4,049.69)	NET TAXABLE VALUE	\$3,037.27

Example of 25% Tax Deduction

STEP 1:

Gross Value minus Royalty Value minus Trucking Costs equals Net Taxable Value

Step 2:

Net Taxable Value times Applicable Percentage equals Tax Deduction

Step 3:

Net Taxable Value minus Tax Deduction equals Net Taxable Value

Amounts from example indicated above

Step 1:

\$4,628.22 minus \$578.53 minus \$0 = \$4,049.69

Step 2:

\$4,049.69 times 0.25 = \$1,012.42

Step 3:

\$4,049.69 minus \$1,012.42 = \$3,037.27

Step 4:

\$3,037.27 is the Net Taxable Value

(Alternative to Step 2)

\$4,049.69 times 0.75 = \$3,037.27